



## **Low Interest Loans for Land Conservation Projects**

**Introduction.** The Georgia Land Conservation Revolving Loan Fund (Loan Fund) provides low interest loans to cities, counties and non-government organizations to purchase lands or easements on lands with high conservation values and water quality benefits. A low interest loan is a great option for cities and counties that are committed to carrying out land conservation as a part of their long term plans to improve quality of life for their citizens. Land conservation loans allow applicants to act quickly to preserve key tracts of land when they become available, rather than risk losing them to other uses.

**Loan Terms.** The Loan Fund is managed by the Georgia Environmental Finance Authority (GEFA) as part of its Clean Water State Revolving Loan Fund. The interest rate for land conservation loans is currently 1.63%, and is indexed to the lesser of 2.5% or 150 basis points below the state's most recent 20-year G.O. bond issue rate. An additional one-time administration fee is due at closing, and is determined by the length of the loan term according to the chart below. The maximum loan term is 20 years. There is no prepayment penalty and the loan can be paid off at any time. Properties acquired with loan funds must be permanently restricted to conservation uses at the time the loan is made.

<b>Repayment Period</b>	<b>Fee Rate</b>	<b>Fee for \$1M Loan</b>
0-2 years	0.25%	\$2,500
2-5 years	0.50%	\$5,000
5-10 years	1.0%	\$10,000
10-20 years	2.0%	\$20,000

**Repayment Sources.** GEFA is able to underwrite land conservation loans using a number of financing mechanisms, including but not limited to:

- General Fund monies;
- Revenue Bond ballot initiatives for greenspace conservation;
- Special Local Option Sales Tax (SPLOST) ballot initiatives for greenspace conservation;
- Local Impact Fees levied against land developments that are then dedicated for greenspace conservation;
- Tax Increment Financing (TIF) district revenues
- Local Water Access and Use Fees, especially when the land being conserved is within critical watershed protection areas;
- Federal Grants and Private Contributions for land conservation initiatives;
- Other revenue streams that can be legally dedicated to loan repayment.

**Examples.** Below is a list of the cities, counties and non-government organizations that have successfully received a land conservation loan from the GLCP.

- **City of Statham:** Loan of \$135,000 in conjunction with a grant of \$299,000 which protects the city's water source and adds to an existing conservation area;
- **Rockdale County:** Loans of \$750,000 and \$231,500 which acquire key tracts for access to the South River trail system;
- **Virginia Highland Civic Association (NGO):** Loan of \$855,000 to acquire two lots and create a new urban park and storm water management demonstration site;
- **Bibb County:** Loan of \$180,000 in conjunction with a grant of \$517,000 which protects an important bottomland hardwood tupelo swamp;
- **Glynn County:** Loan of \$2,750,000 in conjunction with a grant of \$750,000 which protects a coastal marsh and adjacent upland threatened with development;
- **City of Chickamauga:** Loan of \$875,000 in conjunction with a grant of \$365,000 which protects a Civil War historic site and grounds which will be used in part to attract tourism and provide economic benefits;
- **Bulloch County:** Loan of \$132,300 and \$10,000 grant to help preserve the Fletcher Farm;
- **Harris County:** Loan of \$2,000,000 and grant of \$2,000,000 to place a conservation easement on Callaway Gardens and purchase an abandoned railroad right-of-way through the property to provide residents access to this beautiful mountainous area;
- **Decatur County:** Loan of \$3,000,000 to help create the Silver Lake Wildlife Management Area, which provides habitat to endangered red cockaded woodpeckers and contains the unique longleaf pine ecosystem; and
- **City of Euahlee:** Loan of \$180,000 to purchase 16 acres at the confluence of the Etowah River & Euahlee Creek to create a passive park with walking paths and a boat launch.